

**OFFICE OF THE SECRETARY OF STATE
STATE OF MISSISSIPPI
BUSINESS REGULATION AND ENFORCEMENT DIVISION**

In The Matter Of:)	
)	
PHILLIP MINGA)	Administrative Hearing
)	Number: <u>S-03-0180</u>
)	
)	
RESPONDENT.)	

**FINAL CEASE AND DESIST ORDER AND ORDER IMPOSING
ADMINISTRATIVE PENALTY**

I. JURISDICTION

COMES NOW, James O. Nelson, II, Assistant Secretary of State, on behalf of Eric Clark, Secretary of State for the State of Mississippi, after having entered into a Consent Agreement with Respondent Phillip Minga (hereinafter "Minga"), who has wholly failed to comply with the provisions of the Consent Agreement, hereby issues this Final Cease and Desist Order and Order Imposing Administrative Penalty regarding Minga's failure to comply with said Consent Agreement and Minga's violations of the Mississippi Securities Act (hereinafter "Act").

II. FINDINGS OF FACT

1. Phillip Minga is a natural person and a resident of Mississippi. Minga's

address is 906 Rose Lane, Amory, Mississippi 38821-2111. Minga was not registered to sell securities in the State of Mississippi at any time prior to the execution of this Consent Agreement.

2. On May 30, 1997, the Business Regulation and Enforcement Division of the Mississippi Secretary of State's Office (hereinafter "Division") issued a **SUMMARY CEASE AND DESIST ORDER AND ORDER IMPOSING ADMINISTRATIVE PENALTY** (hereinafter "Summary Order") against Minga for selling securities in the form of promissory notes to residents of the State of Mississippi. The Summary Order indicates that the promissory notes were neither registered with the Division, nor granted an exemption by the Division. The Summary Order further reveals that Minga was not registered to sell securities in the State of Mississippi.

3. Subsequent to Minga's receipt of the Summary Order, Minga failed to request a hearing, the thirty (30) day time period in which to request a hearing having expired.

4. Because Minga failed to request a hearing, the Division issued a **FINAL CEASE AND DESIST ORDER AND FINAL ORDER IMPOSING ADMINISTRATIVE PENALTY** (hereinafter "Final Order"). The Final Order states the following conclusions of law:

1. The promissory notes offered and sold by the Respondent are securities as that term is defined in §75-71-105(1) of the Act.
2. These securities are not eligible for exemption from registration under the Act.
3. Respondent sold these securities in the State of Mississippi as defined in §75-71-119 of the Act.
4. Respondent sold unregistered securities in violation of §75-71-401 of the Act.

5. Respondent acted as an agent for the purpose of selling the securities of an issuer . . . and was not registered to do so in Mississippi, thereby violating §75-71-301 of the Act.

In addition to the conclusions above and in satisfaction thereof, the Final Order (1) imposes an Administrative Penalty upon Minga in the amount of Eleven Thousand Five Hundred Fifty Dollars (\$11,550.00), which was to be paid within thirty (30) days of receipt of the Final Order; and (2) orders Minga to immediately cease and desist from any further activity in, or originating from, the State of Mississippi in connection with the offer and/or sale of securities to any person without the securities being duly registered or exempted from registration of the Act. The Final Order advises that a willful violation of said Final Order may be punishable upon conviction by a fine of not more than Twenty-Five Thousand Dollars (\$25,000.00) or five (5) years imprisonment, or both, in addition to civil and administrative remedies available to the Division.

5. On August 17, 1998, Minga filed a Notice of Appeal with the First Judicial District of Hinds County, Mississippi, requesting that the Final Order be modified or set aside in whole or in part.

6. On September 16, 1998, the Division filed an Answer to the Notice of Appeal with the First Judicial District of Hinds County, Mississippi, containing a certified copy of the filing and evidence upon which the order was entered pursuant to Section 75-71-601 of the Act.

7. On January 31, 2001, the Chancellor for the First Judicial District of Hinds County dismissed Minga's appeal without prejudice.

8. Minga never paid the administrative penalty imposed in the Final Order and, thus, is in violation of said Final Order.

9. Minga is also in violation of the Final Order because he continued to sell promissory notes subsequent to the issuance of the Final Order in the State of Mississippi while neither he, nor the promissory notes were registered with the Division, nor exempted therefrom. Because Minga had knowledge of the Division's Final Order, his violations of the provisions therein were willful.

10. In resolution of the Division's determination that Minga violated the Act and failure to comply with the Final Order, the Division entered into a Consent Agreement with Minga on February 2, 2005, wherein Minga agreed to pay the Division Twenty Nine Thousand Fifty Dollars (\$29,050.00) within thirty (30) days from the execution of the Consent Agreement.

11. Up to the issuance of this Order, Minga has not paid the Twenty Nine Thousand Fifty Dollars (\$29,050.00) that he agreed to pay in the Consent Agreement. Because Minga has failed to comply with the terms of the Consent Agreement, the Division hereby issues this Final Order.

III. CONCLUSIONS OF LAW

12. The previous paragraphs are incorporated herein by reference.

13. The Secretary of State has jurisdiction over this matter pursuant to Miss. Code Ann. §75-71-107(a).

14. The promissory notes offered and sold by the Respondent are securities as that term is defined in Miss. Code Ann. §75-71-105(k).

15. Respondent violated Miss. Code Ann. §75-71-301 by transacting business as a broker-dealer or agent in Mississippi without registering as such.

16. Respondent violated Miss. Code Ann. §75-71-401 by offering and selling unregistered securities within the State of Mississippi.

17. Respondent violated Miss. Code Ann §75-71-501 by making both untrue statements of material fact and omitting to state material facts necessary, in light of the circumstances which they are made, not misleading in connection with the offer, sale, or purchase of any security, directly or indirectly. In addition, Respondent violated the same provision by engaging in an act, practice or course of business which operated as a fraud or deceit upon a person in connection with the offer, sale, or purchase of any security, directly or indirectly.

IV. PUBLIC INTEREST

This Final Cease and Desist Order and Order Imposing Administrative Penalty is issued in the public interest and for the protection of investors consistent with the purposes of the Act.

V. ORDER

IT IS THEREFORE ORDERED, pursuant to the authority set out in the Act that Respondent PHILLIP MINGA, shall permanently **CEASE AND DESIST FROM** ENGAGING IN FURTHER ILLEGAL ACTIVITY IN, OR ORIGINATING FROM, THE STATE OF MISSISSIPPI in connection with the offer and/or sale of securities. In addition, PHILLIP MINGA, shall pay a fine in the amount of Four Hundred and Eighty Thousand Dollars (\$480,000.00) payable to the "Mississippi Secretary of State" within

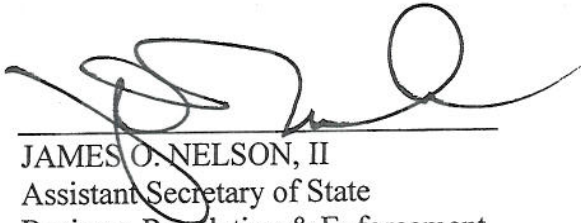
fifteen (15) days from the receipt of this Final Cease and Desist Order and Order Imposing Administrative Penalty.

BE ADVISED THAT, a willful violation of this Final Cease and Desist Order and Order Imposing Administrative Penalty may be punishable upon conviction by a fine of not more than Twenty-Five Thousand Dollars (\$25,000.00) or five (5) years imprisonment, or both, in addition to civil and administrative remedies available to the Division.

SO ISSUED, this the 19th day of May, 2005.

ERIC CLARK
Secretary of State
State of Mississippi

BY:



JAMES O. NELSON, II
Assistant Secretary of State
Business Regulation & Enforcement



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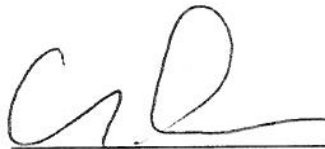
CERTIFICATE OF SERVICE

I, Nathan Thomas, Senior Attorney, Mississippi Secretary of State's Office, Business Regulation and Enforcement Division, do hereby certify that I have this day mailed, via Certified Mail, postage pre-paid, a true and correct copy of the above and foregoing Final Cease and Desist Order and Order Imposing Administrative Penalty to the following:

Phillip Minga
906 Rose Lane
Amory, Mississippi 38821-2111

Cliff Johnson, Esq.
Post Office Box 22725
Jackson, Mississippi 39225-2725

This the 20th day of May, 2005.



Nathan Thomas
Senior Attorney